

**MINUTES OF A REGULAR MEETING OF THE
RESOURCE CONSERVATION COMMISSION**

June 28, 2010

City of Chula Vista, Council Chambers
276 Fourth Avenue

MEETING CALLED TO ORDER: By Chair Stillman at 4:05 p.m.

ROLL CALL:

MEMBERS PRESENT: Chair Stillman, Vice Chair Gilgun, Commissioners
Coleman, Cory, and Rahimzadeh

MEMBERS ABSENT: Commissioner Ulloa

STAFF PRESENT: Conservation & Environmental Services Director
Meacham, Environmental Resource Manager Reed,
Conservation Specialist Garcia, representatives from
various Chula Vista companies, Sr. Secretary Fields

OTHERS PRESENT: Ben Martinez, Public Finance Solutions & Engineering

MOTION TO EXCUSE: None

APPROVAL OF MINUTES: None

ORAL COMMUNICATIONS:

Ben Martinez, Client Services Director of Public Finance Solutions & Engineering introduced himself and his company.

Director Meacham gave a brief summary of the program and then asked members of the audience representing various companies to introduce themselves.

INFORMATION ITEMS:

1. Workshop on Community Revolving Loan Fund

Director Meacham introduced Environmental Resource Manager Brendan Reed who introduced Conservation Specialist Pedro Garcia who gave the presentation. He stated that the Home Upgrade Carbon Downgrade Program is the umbrella program for the Revolving Loan Program. It involves community energy, water efficiency, and solar retrofits for both residences and commercial. The program's intent is to streamline everything including the permitting, the contracting, and the financing to make it easier for the property owner. He stated that we want to create high levels of consumer protection and we want it to be invested locally, which will stimulate local retail purchasing, which in turn will then create green jobs and create economic stimulus.

Conservation Specialist Garcia gave an overview of the financing of the program, stating that they had received an Energy Efficiency and Conservation Block Grant that helped fund the program. He also mentioned other funding sources.

He further discussed details of the program as it relates to the broader picture of the Home Upgrade Carbon/Downgrade Program. He mentioned the four main program components of the Home Upgrade/Carbon Downgrade Program, including the FREBE Program, the Chula Vista Appliance Exchange Rebate Program, Whole Building Retrofit Incentives, and tonight's topic, Low Interest Retrofit Financing.

Environmental Resource Manager Reed continued the presentation. He stated that the Revolving Loan Fund is a low-interest loan to property owners in the city that would finance energy-saving retrofits. The program involves energy efficiency and renewable energy—mainly solar PV and solar hot water. He went on to discuss loan amounts and terms. He also acknowledged the Housing Division stating that the Revolving Loan Fund had borrowed a lot from the existing CHIP Loan Program the City administers and that it had given them a great starting framework for creating this program.

He went on to discuss eligibility requirements and the process for community members to take advantage of the loan. Manager Reed added that the contract would exist between the property owner and the contractor—the City would not be party to the contract. Regarding residential retrofits, after completion, the City would make the payment to the property owner directly. In the case of a business or company owning the property, the City would pay the contractor directly, but again, would not be party to the contract. He stated that this is due to rules in the stimulus package regarding prevailing wage and procurement and more detailed reporting requirements when involving to a business or company.

Environmental Resource Manager Reed added that they were looking for a third party to provide the loan servicing for the program including monthly payments, bills, etc.

He stated that all improvements or retrofits financed through the Revolving Loan would have to be installed by contractors on the City's eligible contractor list. This will ensure high levels of consumer protection for our property owners, ensure that there are actual energy savings, and allow us to comply with requirements under federal regulations. Manager Reed went on to discuss details of the language of the Memorandum of Understanding (MOU).

Director Meacham and Chair Stillman opened the floor for comments from audience participants.

1. Jim Filanc from Southern Contracting:

- Suggested setting up mini revolving loans with individual homeowners rather than having one loan for a set of measures, taking transaction costs into consideration
- Mentioned the pending Cash for Caulkers program at the federal level, which will be paying up to a 30% rebate
- Commented on the ten year maximum payback period of the program

2. Jennifer Badgley from the Electricians Union:

- Commented regarding the certifications and training, that they would need enough lead time to be able to incorporate it into the next semester's curriculum
- Stated that she needed to know more about the aggregate program regarding the three bidders. She voiced concerns about how a contractor would be affected in a situation where he gets pricing on components for a certain number of people who are interested, but then only a portion of those people can actually get the loan, so now the contractor can't get that pricing any more and his bid's not true. She asked whether it would be too burdensome on the consumer and too difficult for a contractor or de-motivate a contractor from going into the community and making an investment in marketing.

3. Andy Berg from National Electrical Contractors Association:

- Stated the need to ramp up quickly due to a large amount of public interest and the fact that it will create jobs immediately
- Talked about warranties and payments to contractors

4. Keith Speller from Speller Energy Consulting:

- Asked about homeowners doing some of their own installations

5. Eric Rodriguez from Grainger

- Talked about reaching out to local suppliers

6. Edna Franco from Win RetroFit

- Asked about making HERS certification a requirement in the program

7. Mike Davidson from Stellar Solar

- Stated that the program did not appear to be cost effective for solar
- Added that payment from the City should go directly to the contractor rather than to the homeowner

8. Andy Berg from National Electrical Contractors Association:

- Suggested setting program payments up to go to the homeowner, with the homeowner then assigning the money to the contractor

Commissioners' comments were as follows:

1. Commissioner Rahimzadeh asked for clarification on the goal of two to three thousand homes per year and for clarification on the guidelines for repayment of the loans.
2. Commissioner Coleman asked if the incentives would be calculated in the maximum amount of the loan. He also asked about a scenario where someone might obtain their own energy audit and whether that cost could be made part of the loan. Regarding the rebates, he added that the homeowner should have a choice in the handling of rebates. Commissioner Coleman further commented that the 10-year period on the loan might be

a little restrictive for certain types of upgrades. He then asked if the program in the future would consider any kind of component for someone having an electric car as far as a loan for the equipment needed for charging an electric car. He lastly commented that the terms of the warranty should be clearly stated in the documentation when someone takes on one of these loans.

3. Commissioner Cory asked about air conditioning systems.

ACTION ITEMS:

None

DIRECTOR OF CONSERVATION AND ENVIRONMENTAL SERVICES COMMENTS

None

CHAIR COMMENTS


None

COMMISSIONER COMMENTS

None

ADJOURNMENT: The meeting was adjourned at 5:50 p.m. to a regular meeting on Monday, July 12, 2010, at 4:00 pm in Council Chambers, 276 Fourth Avenue, Chula Vista, CA 91910.

Prepared by:


Sheryl Fields
Sr. Secretary